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<u>REMARKS</u>

I. Examiner Interview

Applicants thank Examiner Borrissov for the helpful and courteous discussion held with

Applicants' representatives on April 22, 2008 and May 7, 2008, substance of which are reproduced

below.

II. Claims

Claim 1-12 are canceled.

Claims 13 - 34 are added.

Support for amendments and new claims can be found throughout the specification. For

example, support can be found at page 9, line 23 through page 14, line 9. No new matter is

considered to have been added.

Upon entry of the amendments, claims 13-34 are currently pending.

III. Rejections under 35 U.S.C. §103(a)

Superior features of the claimed invention

Conventional methods for creating targeted advertisements were unsatisfactory. First,

conventional attempts at targeted video commercial delivery all suffered from the problem that only

a few different variations of complete video commercials had to be produced, generally based on

coarse demographic classification. This was mainly due to the costs associated with producing

different versions of completed video commercials. Advertisers were not able to produce tens, or

hundreds, or even thousands of different variations of a video commercial to provide video

commercials customized for each particular target audience.

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In contrast, the claims provides a method, system, and computer program product for distributing a customized video commercial. The claimed invention allows an advertiser to distribute customized video commercials, where the video commercial can be customized according to certain characteristics of a target audience.

For example, as recited in claim 13, a sample video commercial is received (see step (i)) from which a video commercial template is generated (see step (ii)). The template is filled with certain video segments and audio segments based on certain defined rules and characteristics of the target audience (see step (vi)) so that a customized video commercial can be distributed to the target audience (see step (vii)).

These customized video commercials contain at least some video segments that are different from the corresponding video segments in the sample video commercial, where these "substitute" video segments are selected to be placed into the video commercial template based upon the characteristics of the target audience. This feature of the claim was demonstrated during the Examiner Interview dated April 22, 2008. As mentioned during the Examiner Interview, the claimed invention allows the advertiser to distribute customized video commercials where certain video and audio segments are changed. Such customization through modification of the video and/or audio segments is highly desirable, as viewers tend to react better to the customized video and/or audio segments. This is in contrast to previous targeted advertisements, where targeting was performed based on coarse classification of a general target audience because they lacked the substitutable video and/or audio segments of the claimed invention.

Thus, the claimed method now affords the ability to generate highly specific customized video commercials for any particular target audience by filling the video commercial template with various different video/audio segments that are based on characteristics of that particular target audience.

Moreover, the claimed invention allows a large number of different customized video commercials to be created for each particular target audience "on-the-fly" and delivered rapidly to

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each target audience (see, e.g., claim 21 and page 12, lines 5-6 of the specification). Accordingly, the claimed invention demonstrates highly superior results over conventional targeted advertising.

Second, in some conventional methods, interactivity from the target audience (e.g., viewer) was required to select content from a known set of choices (e.g., selecting a French audio track on a DVD). However, such target audience interactivity is impractical in a video commercial setting. The idea that a target audience would provide interactive feedback to receive customized video commercial is impractical, perhaps even inconceivable. A target audience may tolerate selecting a French audio track on a two-hour feature length movie in a DVD. However, to watch video commercials, a target audience will generally not provide feedback due to inconvenience. Furthermore, in certain instances, the time consumed for a target audience to provide his/her feedback may sometimes exceed the length of the video commercial itself, which would generally lead many target audience to avoid providing any feedback due to its impractical nature. Accordingly, what is needed in customized video commercial setting is the ability to automatically acquire characteristics about the target audience and to create customized video commercials based on the acquired target audience characteristics without *requiring* any input from the target audience.

Accordingly, the claimed method allows the advertiser to specify who the various target audiences will be (see step (i) in claim 13) and allows the advertiser to gather information regarding each target audience without requiring any interactive feedback from each target audience (see step (v) in claim 13). In other words, input from even any one of target audience is not a requisite to producing customized video commercials, as was needed in conventional methods (although certain target audience can provide certain information about themselves, if so desired). As the advertiser selects who the target audience will be, each target audience can enjoy the benefit of receiving video commercials, customized according to certain characteristics about themselves, without having to actively provide any information about themselves while viewing (or to view) a customized video commercial. This is yet another superior result provided by the claimed invention.

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The cited references

None of the cited references teach or suggest the claims and the superior results described above. For example, Stanbach is directed to scanning through the contents of an e-mail message and selecting an advertisement to associate with the e-mail message based on the location of certain key words or phrases in the message body, and/or personal information about the intended recipient. (See col. 9, lines 43-48 and Figure 7 of Stanbach). In other words, Stanbach is directed to attaching pre-packaged, completed advertisements into an email message before the email message is delivered to the recipient. Stanbach fails to describe or suggest, inter alia, (i) receiving any sample video commercial or any target audience information from an advertiser, (ii) generating a video commercial template in response to receiving the sample video commercial and target audience, (vi and vii) filling the video commercial template with video and audio segments based on certain defined rules and acquired characteristics about the viewer to create customized video commercials, where each customized video commercial has at least one video segment or audio segment that is different from the sample video segment or sample audio segment. These video segments and audio segments that are different from the corresponding sample video segments and corresponding audio segments allow creation of customized video commercials where segments of the video and/or audio content is changed. In short, Stanbach fails to describe or suggest creating customized video commercials that include one or more variations from a sample video commercial, leading to the superior results described above.

Tao fails to remedy the deficiency of Stanbach. Tao describes "a hierarchical processing apparatus and method for video and audio data for producing, modifying or deleting a playlist formed from information of reproduction times, channels and so forth." (See Abstract). More specifically, Tao is directed to inserting a video clip for a commercial image between a plurality of broadcasting programs. (See col. 1, lines 6-12). Tao also simply fails to describe or suggest making customized video commercials that include one or more variations from a sample video commercial.

As described above, both Stanbach and Tao are directed to wholly different inventions and do not even remotely describe or suggest the pending claims. Accordingly, withdrawal of the rejections is requested.

Furthermore, Freeman describes a system that is anathema to the pending claims. Freeman describes an interactive system where *viewers interact* with input devices to obtain personalized video from the choice the viewer has made. (See col. 4, lines 7-10). In contrast, the claims are directed to a method, system, or computer product where input from a viewer/target audience is *not* required. For example, claim 13 explicitly recites "acquiring characteristics regarding said target audience from one or more sources" and "filling said fillable video segment slots . . . and said fillable audio segment slots . . . based on said defined rules and said acquired characteristics to create said customized video commercial." In other words, no input from the target audience regarding characteristics about themselves is required in the claims. In fact, as described above, requiring input from the target audience would be impractical in a customized video commercial delivery setting. It is inconceivable that a target audience would actively go to inform a video commercial delivery medium characteristics about themselves before each customized video commercial is delivered.

Accordingly, Applicants submit the pending claims are non-obvious as omission of a step and retention of its function is an indicia of unobviousness (MPEP §2144.04.II.B; *In re Edge*, 359 F.2d 896). Applicants further submit that one of ordinary skill in the art would not have combined Freeman with Stanbach as requiring input from a target audience is completely anathema to the pending claims.

None of the other cited references remedy the deficiencies described above. For at least these reasons above, Applicants submit all of the pending claims are now in condition for allowance.

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Applicants are submitting herewith a petition for 3-month extension of time, with the requisite fees. Applicants consider that no additional fees are due. However, if any additional fees are due, please charge our Deposit Account No. 08-0219, under Order No. 2000522.00124US1 from which the undersigned is authorized to draw.

Respectfully submitted,

Dated: May 21, 2008

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